

EVENT VIOLATION INSPECTOR'S STATEMENT

Company/Mine: Andalex Resources, Inc/Centennial Project
Permit #: C/007/019

NOV # N04-49-2-1
Violation # 1 of 1

A. SERIOUSNESS

1. What type of event is applicable to the regulation cited? Refer to the DOGM reference list of event below and remember that **the event is NOT the same as the violation.** Mark and explain each event.

- | | | |
|-------------------------------------|----|--|
| <input type="checkbox"/> | a. | Activity outside the approved permit area. |
| <input type="checkbox"/> | b. | Injury to the public (public safety). |
| <input type="checkbox"/> | c. | Damage to property. |
| <input type="checkbox"/> | d. | Conducting activities without appropriate approvals. |
| <input type="checkbox"/> | e. | Environmental harm. |
| <input checked="" type="checkbox"/> | f. | Water pollution. |
| <input type="checkbox"/> | g. | Loss of reclamation/revegetation potential. |
| <input type="checkbox"/> | h. | Reduced establishment, diverse and effective vegetative cover. |
| <input checked="" type="checkbox"/> | i. | No event occurred as a result of the violation. |
| <input type="checkbox"/> | j. | Other. |

Explanation: The event designed for protection is water pollution. The event, water pollution, did not occur. The disturbed diversion, DD-4 and 24" culvert referenced in the violation report to a sediment pond (sediment pond E). Prior notification and warning had been given on the two previous inspections.

2. Has the event occurred? No

If yes, describe it. If no, what would cause it to occur and what is the probability of the event(s) occurring? (None, Unlikely, Likely).

Explanation: The probability of the event, water pollution, occurring is unlikely, since the disturbed diversion DD-4 and the 24" culvert reports to sediment pond E. The sediment pond provides treatment of the disturbed water prior to discharge.

3. Did any damage occur as a result of the violation? No

If yes, describe the duration and extent of the damage or impact. How much damage may have occurred if the violation had not been discovered by a DOGM inspector? Describe this potential damage and whether or not it would extend off the disturbed and/or permit area.

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Explanation: No damage occurred and did not extend outside of the permit area.. The potential for damage outside of the permit area is very unlikely, since the water flow associated with the disturbed diversion DD-4 and the 24" culvert report to sediment pond E.

B. DEGREE OF FAULT (Check the statements which apply to the violation and discuss).

- ☐ Was the violation not the fault of the operator (due to vandalism or an act of God), explain. Remember that the permittee is considered responsible for the actions of all persons working on the mine site.

Explanation: _____

- ☒ Was the violation the result of not knowing about DOGM regulations, indifference to DOGM regulations or the result of lack of reasonable care.

Explanation: The violation occurred as a result of indifference to DOGM regulations or the result of lack of reasonable care. The operator/permittee was warned of the potential enforcement action during the two previous inspections, but failed to remediate the problem.

- ☐ If the actual or potential environmental harm or harm to the public should have been evident to a careful operator, describe the situation and what, if anything, the operator did to correct it prior to being cited.

Explanation: _____

- ☒ Was the operator in violation of a specific permit condition?

Explanation: The operator failed to maintain the disturbed diversion DD-4 and the 24" culvert adjacent to the Aberdeen truck loadout. The approved permit requires routine maintenance to stay in compliance with R645-301-732.300.

- ☐ Has DOGM or OSM cited the violation in the past? If so, give the dates and the type of warning or enforcement action taken.

Explanation: _____

C. GOOD FAITH

1. In order to receive good faith for compliance with an NOV or CO, the violation must have been abated before the abatement deadline. If you think this applies, describe how rapid compliance was achieved (give date) and describe the measures the operator took to comply as rapidly as possible.

Explanation: The abatement date for NOV N04-49-2-1 is February 23, 2004. The work was not completed at the time of this inspector's statement. Good Faith points will need to be evaluated by the assessment officer when the violation is abated.

2. Explain whether or not the operator had the necessary resources on site to achieve compliance.

Explanation: Yes, there is mine personnel and equipment on site.

3. Was the submission of plans prior to physical activity required by this NOV / CO? No If yes, explain.

Explanation: _____

Karl R. Houskeeper
Authorized Representative

Signature

January 26, 2004
Date